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C O N F I D E N T I A L SECTION 01 OF 02 CHISINAU 000806

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TAGS: [PGOV](#) [PREL](#) [KDEM](#) [KTIP](#) [MD](#)
SUBJECT: AMBASSADOR AND MCC VP DISCUSS MCC
COMPACT WITH NEW PM FILAT

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Classified by: Ambassador Asif J. Chaudhry for
reasons 1.4 (b) and (d)

¶1. (C) Summary: The Ambassador and MCC Vice President Darius Teter met with Prime Minister Vlad Filat on October 28. The meeting focused on the way forward in concluding a Compact agreement by the end of the calendar year. VP Teter informed Filat of the conditions Moldova must fulfill in a Compact agreement and outlined his planned meetings with GoM officials. Filat said he understood how a bad TIP ranking could sabotage the MCC Compact and pledged to take action. End Summary.

Moldova Grateful for USG Help and Pledges Reform

¶2. (C) In an October 7 meeting, Prime Minister Vlad Filat thanked the Ambassador and MCC Acting Vice President for Compact Development Darius Teter for USG assistance and support. Filat pledged that the GoM was committed to significant reforms but said the GoM needed assistance to implement them. In delineating challenges to the new government, the Prime Minister noted that combating TIP and corruption and ensuring basic freedoms for all Moldovans were high on the ambitious agenda. Filat also underlined that the GoM would ensure transparency in the implementation of all international donor programs in Moldova and guarantee that every dollar was spent efficiently.

What Moldova Needs to Do

¶3. (C) VP Teter presented the timeline for Compact negotiations in order to reach a final agreement by the end of the calendar year and outlined the need to establish a negotiating team to travel to Washington, DC soon. He noted that Moldova would have to meet two administrative conditions to enable the full implementation of the Compact over the five-year life of the program. Moldova would need to complete the progress already made in passing a water-user regulation law and demonstrate improvement in the administration of the road maintenance regime by setting aside adequate funds. Finally, the VP noted that the MCC Board would closely follow developments in combating TIP in Moldova.

¶4. (C) Filat responded that he was personally committed to combating trafficking because it was

"a moral issue" for Moldova. Regarding the establishment of a team for negotiating with MCC, the Prime Minister stated that he would work closely with his ministers to name a capable, fully empowered team. The Ambassador also raised the possibility of Filat planning a trip to Washington to coincide with the signing of the Compact in early December. (Note: the PM had previously expressed a desire to visit Washington before the end of the year. End Note)

MCC Agenda in Chisinau and GoM Support

15. (C) VP Teter explained that he planned to meet with the Ministers of Agriculture, Economy, Environment, Finance, Transport, and the State Minister to inform these new government officials of the next steps in negotiating a final Compact agreement. He noted that the new government needed to understand that the Compact had been worked out over the past 2.5 years and included substantial data from feasibility and environmental studies and reviews of the economic rate of return for various components. Filat informed the Ambassador and VP Teter that the weekly cabinet meeting would follow later that morning and he would instruct his government to support reaching a Compact agreement.

Comment

16. (C) The new Prime Minister expressed his gratitude to the USG for support and commitment to

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guaranteeing successful Compact negotiations. Despite murmurs that the new Minister of Agriculture, Valeru Cosarciuc, had some concerns about the agriculture component of the Compact, VP Teter's meeting later in the day with him was a welcome "breath of fresh air" in comparison to meetings with the previous Minister. Cosarciuc did voice concerns regarding the access to credit program in the Compact but this has been an issue of discussion within MCC. MCC and Embassy staff speculated that Filat instructed the Cabinet to move ahead with full support for the Compact earlier in the day.

CHAUDHRY